

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO'S)

A Community Housing Development Organization (CHDO) is a private nonprofit, community-based, service organization that has, or intends to obtain, staff with the capacity to develop affordable housing for the community it serves.

Eligible Housing

CHDO funds must be invested in housing that is owned, sponsored, or developed by the CHDO. This means the CHDO serves in at least one of the following roles:

- ☐ **Owner.** The CHDO holds valid legal title to or has a long-term leasehold interest in the rental property. The CHDO may be an owner with more than one individual, corporations, partnerships, or other legal entities.
- ☐ **Sponsor.** The CHDO develops or owns property and agrees to convey ownership to another nonprofit organization.
- ☐ **Developer.** The CHDO either owns a property and develops a project, or has a contractual obligation to a property owner to develop a project.

Eligible Activities

When using CHDO funds in eligible housing, the CHDO may perform one of the following activities:

- ☐ Acquisition, rehabilitation or new construction of rental housing,
- ☐ Acquisition, rehabilitation or new construction of homebuyer properties, and
- ☐ Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds.

Ineligible Activities

CHDO funds may not be used for tenant-based rental assistance, existing homebuyer rehabilitation, or direct homebuyer assistance.

Key CHDO Qualifying Requirements

To qualify as a CHDO, a non-profit must demonstrate annually that it meets certain requirements regarding its:

- ☐ Legal and tax-exempt status,
- ☐ Financial management capacity and accountability
- ☐ Staff capacity to carry out HOME-funded activities,
- ☐ Experience serving the community,
- ☐ Board representation by community members with at least one-third of its members low-income, and
- ☐ Lack of for-profit or public control.

Please complete the following application for CHDO, HOME federal dollars.

Note: The Federal HOME Regulations have changed. If all requirements under 42 CFR, Section 92.2 of the HOME Regulations are met, the Applicant may be certified as a CHDO and awarded HOME funds by Harford County for one or more specific projects that are ready to begin immediately or will be ready to begin as of July 1, 2015. However, a new application for CHDO certification must be submitted to the Department each time an applicant is seeking HOME funds for a specific Project address. Some information provided in this application may only require a supplemental addendum, but the County reserves the right to require all new documentation for every Project, as is required by the new HOME Regulations.

The information contained in the following checklist refers to the definition of a Community Housing Development Organization (CHDO) as stated in 42 CFR, Section 92.2 of the HOME Regulations.

Please attach the following documentation with your request for certification.

CHDO CHECKLIST

I. LEGAL STATUS

A. The nonprofit organization is organized under State or local laws, as evidenced by:

_____ **A Charter, OR**
_____ **Articles of Incorporation**

B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

_____ **A Charter, OR**
_____ **Articles of Incorporation.**

C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986, as evidenced by:

_____ **A 501(c) Certificate from the IRS.**

D. Has among its purposes the provision of decent housing that is affordable to low-and moderate-income people, as evidenced by a statement in the organization's:

_____ **Charter,**
_____ **Articles of Incorporation,**
_____ **By-laws, OR**
_____ **Resolutions.**
_____ **A HUD approved audit summary**

II. CAPACITY

A. Conforms to the financial accountability standards of Attachment F of OMB Circular A-110, "Standards for Financial Management Systems," as evidenced by:

_____ **A notarized statement by the president or chief financial officer of the organization;**

_____ **A certification from a Certified Public Accountant; OR**

_____ **A HUD approved audit summary.**

B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:

_____ **Resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR**

_____ **Contract(s) with consulting firms or individuals who have housing experience similar to projects to be assisted with HOME funds to train appropriate key staff of the organization.**

C. Has a history of serving the community where housing to be assisted with HOME funds will be used, as evidenced by:

_____ **Statement that documents at least one year of experience in serving the community, OR**

_____ **For newly created organizations formed by local churches, service, or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.**

NOTE: The CHDO or its parent organization must be able to show one year of serving the community from the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as developing new housing, rehabilitating existing stock, and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president of the organization or by a HUD-approved representative.

III. ORGANIZATIONAL STRUCTURE

- A. Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations, as evidenced by the organization's:

_____ **By-Laws,**
_____ **Charter, OR**
_____ **Articles of Incorporation.**

Under the HOME Program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state).

- B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of all HOME-assisted affordable housing projects, as evidenced by:

_____ **The organization's By-laws,**
_____ **Resolutions, OR**
_____ **A written statement of operating procedures approved by the governing body.**

- C. A CHDO may be chartered by a State or local government, however, the State or local government may not appoint: (1) more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials, as evidenced by the organization's:

_____ **By-Laws,**
_____ **Charter, OR**
_____ **Articles of Incorporation.**

- D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's:

_____ **By-Laws,**
_____ **Charter, OR**
_____ **Articles of Incorporation.**

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES

A. CHDO is not controlled, nor receives directions from individuals or entities seeking profit from the organization, as evidenced by:

_____ **The organization's By-laws, OR**
_____ **A Memorandum of Understanding (MOU).**

B. A CHDO may be sponsored or created by a for-profit entity, however:

(1) The for-profit entity's primary purpose does not include the development or management of housing, as evidenced by:

_____ **The for-profit organization's By-laws**

AND;

(2) The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced by the CHDO's:

_____ **By-Laws,**
_____ **Charter, OR**
_____ **Articles of Incorporation.**



Harford County Department of Community Services
Community Development Division
319 S. Main Street
Bel Air, Maryland 21014

**FY2015 Application and Recertification
HOME Investment Partnership Program (HOME)
Community Housing Development Organization (CHDO)
(July 1, 2014 – June 30, 2015)**

Organization Name:

Address:

City:

State:

Zip:

Phone:

Fax:

Email:

Internet Address:

Executive Director:

Date of Incorporation:

Tax ID Number:

501 (c)(3) Registration Date:

Total requested CHDO amount for duration of FY2015: \$

Anticipated details of all Project(s) during FY2015 (including amount of HOME funds needed per project, general location information, number of projects, proposed plan for financing, homebuyer or rental, acquisition only or acquisition/rehabilitation, targeted homebuyers/renters, for example, low income under 50%, 60% or 80% AMI, persons with disabilities, etc.):

Specific address(es) of identified Project(s) that are (1) ready to begin immediately as of the time of this application or (2) will be ready to begin on July 1, 2015:

Attach a pro forma that includes sources and uses of funds for each Project that is ready to begin immediately. Pro forma must show that project is already fully funded except for the gap to be filled with HOME funds.